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PETER C. WRIGHT

DIRECT DIAL NUMBER
314 259-2640

December 15, 1997

Ms. Pauletta France-Isetts
Superfund Division
U.S. Environmental Protection Agency, Region VII
726 Minnesota Avenue
Kansas City, Kansas 66101

Re: Monsanto Company's Response to CERCLA Section 104(e) Information
Request - PCB Treatment, Inc. Site

Dear Ms. France-Isetts:

Monsanto Company hereby responds to the U.S. Environmental Protection Agency's (EPA) request for information concerning the PCB Treatment, Inc. site ("Site") located in Kansas City, Kansas and Kansas City, Missouri. Monsanto Company received the information request addressed to Monsanto Research Corporation (MRC), Mound Laboratory, Miamisburg, Ohio 45342, where it was received by the firm of Babcock & Wilcox of Ohio, Inc. Babcock & Wilcox forwarded the information request dated October 31, 1997 to Solutia Inc.; Solutia Inc. forwarded the information request to Monsanto on or about November 13, 1997. On November 25, 1997 we spoke on the telephone and you agreed to a 30-day extension to respond to the information request. This extension was confirmed in a letter written to you dated December 1, 1997. This Monsanto response to the information request is now due January 12, 1998, 60 days after the date Monsanto received the request.

A copy of EPA's information request has been forwarded to Ms. Renee Holland, an attorney with the United States Department of Energy (DOE). Monsanto Company had a contract to provide services at the Mound Laboratory to the DOE. DOE owned and continues to own the Mound Laboratory. Under that contract, a copy of which is enclosed with the response to the information request, Monsanto is indemnified by DOE. That contract ran from 1948 to 1988, which includes the period of time that EPA's information request indicates the Site was in operation. During the period of time the Site was in operation, Monsanto provided services to DOE through MRC, a wholly owned subsidiary. Monsanto is seeking indemnification from DOE in the event there is any connection between MRC and the Site.



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BRYAN CAVE LLP

Ms. Pauletta France-Isetts

December 5, 1997

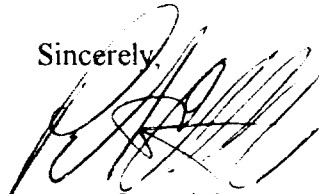
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Monsanto does not expect it has any records related to MRC which might show a link with the Site. All such records, if they ever existed, would most likely have been located at the Mound Laboratory and would have been left in the control of the DOE at the end of the contract. In an effort to cooperate, Monsanto has reviewed its records to see whether there are any records relevant to the information request. Monsanto retains the right to supplement this response to EPA's information request in the event it locates additional information or documents relevant to the information request. Monsanto has previously requested copies of the documents EPA has that allegedly link MRC to the Site.

Monsanto recommends that EPA contact DOE directly about the Site.

If you have any questions about this response, please contact the undersigned.

Sincerely,



Peter C. Wright

cc: Judith Reinsdorf, Esq.
Mr. James L. Kilby
Mr. Jeff Waldbeser
Renee Holland, Esq.
United States Department of Energy
One Mound Road
P.O. Box 3000
Miamisburg, OH 45343-3000
(937) 865 - 4772

**MONSANTO COMPANY'S
INFORMATION REQUEST RESPONSE
CONCERNING THE PCB TREATMENT INC. SITE**

QUESTIONS

RESPONSES

1. Identify the person(s) answering these questions on behalf of Respondent.

Peter C. Wright

2. Identify the person to whom future correspondence regarding this matter should be directed.

*Peter C. Wright, Esq.
Bryan Cave LLP
One Metropolitan Square
St. Louis, Missouri 63102-2750
(314) 259-2000*

3. For each and every question contained herein, identify all persons consulted in the preparation of the answer.

- a. Judith Reinsdorf, Esq., Monsanto Company environmental attorney*
- b. Karen Marshel, legal assistant for Monsanto Company*
- c. James Kilby, environmental remediation manager for Monsanto Company*
- d. Jerry Barnett, government affairs manager for Monsanto Company (he worked at the Mound Laboratory from 1966 - 1979).*
- e. Jeff Waldbeser, environmental manager for Monsanto Company.*

These individuals work at:

*Monsanto Company
800 North Lindbergh Boulevard
St. Louis, Missouri 63167
314-694-1000*

The individuals referenced above can be contacted through Peter C. Wright, attorney for Monsanto in this matter.

4. Identify all names used by Respondent between 1982 and 1987.

Monsanto Company provided services to the United States Department of Energy in connection with the Mound Laboratory, located in Dayton, Ohio, which is alleged to be the source of the two shipments of PCB materials to the Site. During the period of time between 1982 and 1987, services at

the Mound Laboratory were provided to DOE by Monsanto Research Corporation (MRC), a wholly owned subsidiary of Monsanto Company. A copy of the contract between Monsanto and DOE is enclosed.

5. Identify all persons, including Respondent's current and former employees, who have or may have knowledge, information or documents about the generation, use, purchase, treatment, storage, disposal or other handling of materials, equipment or items at, or transportation of materials, equipment or items to the Sites.

MRC's contract with DOE to operate the Mound Laboratory terminated in 1988. The employees of MRC who would be familiar with the kind of information requested by the question probably no longer work for Monsanto Company. These employees may have continued to work for the DOE or another contractor employed by the DOE at the Mound Laboratory. MRC no longer exists as a separate corporate entity.

The only current Monsanto employee identified so far as having worked at the Mound Laboratory, did not work at the Mound Laboratory during the period of time the Site was in operation (1980s). This employee recalls that an employee of the Mound Laboratory, Don Edling, had environmental responsibilities. It is not known if he had those responsibilities during the period of time the Site operated and his current whereabouts is not known by Monsanto.

6. Identify all persons with whom Respondent, Respondent's employees or other persons made any arrangements for transportation of materials, equipment or items taken to the Sites. For each transaction, describe the type of arrangements made and submit all documentation relating to such arrangements.

See response to question 5, above.

7. Identify all persons with whom Respondent, Respondent's employees or other persons made any arrangements for the storage, treatment or disposal of materials or items at the Sites. For each transaction, describe the type of arrangement made and submit all documentation relating to such arrangements.

See response to question 5, above.

8. Provide copies of all documents including, but not limited to, invoices, contracts, receipts, manifests, certificates of disposal, shipping papers, service orders, and other documents, pertaining to Respondent's transportation of material, equipment or items, or arrangements for transportation of material, equipment or items, to PCB Treatment, Inc.:

- a. Identify all documents pertaining to the transportation or arrangement for transportation of material, equipment or items to the Wyandotte Street location;
- b. Identify all documents pertaining to the transportation or arrangement for transportation of material, equipment or items to the Ewing Street location.

No such documents have been identified in Monsanto's custody or control.

9. Provide copies of all documents including, but not limited to, invoices, contracts, receipts, manifests, certificates of disposal, shipping papers, service orders, and other documents pertaining to Respondent's arrangements for the storage, treatment or disposal of material, equipment or items at PCB Treatment, Inc.:
 - a. Identify all documents pertaining to the storage, treatment or disposal of material, equipment or items to the Wyandotte Street location;
 - b. Identify all documents pertaining to the storage, treatment or disposal of material, equipment or items to the Ewing Street location.

No such documents have been identified in Monsanto's custody or control.

10. Provide any information or knowledge in the possession of Respondent, its affiliates, contractors or agents, relating to PCB Treatment, Inc. (such as correspondence you may have received from other persons relating to PCB Treatment, Inc.).

No such information was identified.

11. Provide any information or knowledge in the possession of Respondent relating to the handling or transportation of material, equipment or items between the Wyandotte Street and Ewing Street Sites by any person and the purpose for such movement of material, equipment or items between the Sites.

None identified.

12. Identify all materials, equipment or items that were rejected from the Sites. For each material, equipment or item rejected from the Sites, state the reason for such rejection.

None identified.

13. State whether Respondent, Respondent's employees, contractors and/or agents, or other persons ever shipped any material, equipment or item to the Sites? If so, provide the following information for each material, equipment or item that was or may have been sent to the Sites:
 - a. the type of material, equipment or item (i.e., transformer, capacitor, switch, etc.);
 - b. the size or rating of the material, equipment or item;
 - c. the name of the manufacturer and serial number;
 - d. the total weight of the material, equipment or items;
 - e. the total weight of oil (in gallons, pounds or kilograms) contained in the material, equipment or item, or the oil capacity of the material, equipment or item, and the method used to determine the

amount or capacity;

- f. the type of oil or other fluid that was or might have been present in such material, equipment or item at the time it was sent to the Sites;
- g. describe what steps were taken to determine whether the oil or fluid contained PCBs at the time of removal from service or of disposal;
- h. any and all documentation, including but not limited to, analytical data which indicates the concentration of PCBs contained in the oil or fluid;
- i. the date on which the material, equipment or item left your facility;
- j. the time period during which the material, equipment or item remained at the Sites;
- k. the name, address and telephone number of the transporter;
- l. if the material, equipment or item was owned by someone other than Respondent, identify the person owning such material, equipment or item; and
- m. the name(s), address(es), telephone number(s) and date(s) of ownership of any and all prior owners, if any, of the material, equipment and item.

No relevant records or information has been identified.

14. With respect to each shipment of oil to the Sites by tanker truck, in drums or any other method of shipment, provide:

- a. the total amount of oil in gallons, pounds or kilograms contained in each shipment and the method of shipment or type of container used;
- b. the type of oil or fluid contained in each shipment;
- c. describe the steps taken to determine whether the oil or fluid contained PCBs at the time of shipment; and
- d. any and all documentation, including but not limited to, analytical data, that indicates the concentration of PCBs contained in the oil or fluid.

No such records or information has been identified.

15. With respect to soil and debris shipped to the Sites, provide the following:

- a. a description of the constituents of the soil or debris shipped to the Sites;

- b. the total amount of soil or debris shipped to the Sites in pounds, cubic yards, cubic feet, or other type of measurement. Describe the type of measurement
- c. describe the steps taken to determine whether the soil or debris contained PCBs at the time of shipment; and;
- d. any and all documentation, including but not limited to, analytical data, that indicates the concentration of PCBs contained in the soil or debris.

No such records or information has been identified.

16. List the EPA RCRA Identification Numbers of Respondent, generators, brokers, and/or transporters, if any, and identify the corresponding units, facilities or vessels assigned these numbers.

Monsanto did not identify this information in connection with the documents it reviewed as being potentially relevant to this information request. Monsanto recommends EPA contact the DOE's Mound Laboratory directly, which is still in operation, for this information.

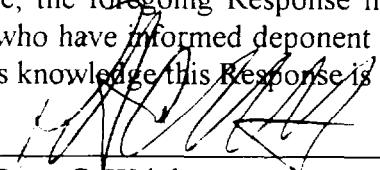
17. If you have reason to believe that there may be other persons, whether or not employed by Respondent, who may be able to provide a more detailed or complete response to any question or subpart of a question or who may be able to provide additional information or responsive documents, identify each such person and the additional information or documents that each may have.

As explained in the transmittal letter sent with this information response, and in response to question number 5, Monsanto recommends that the DOE's Mound Laboratory operation be contacted in this matter.

VERIFICATION

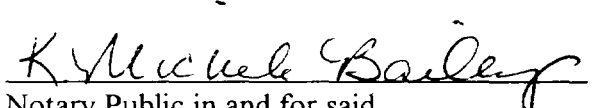
STATE OF MISSOURI)
) ss.
CITY OF ST. LOUIS)

Peter C. Wright, being duly sworn, deposes and says that he has read the foregoing "Monsanto's Response to Request for Information concerning the PCB Treatment Inc. Site" ("Response"), and is familiar with the contents thereof; that the deponent is without personal knowledge of the matters stated in the foregoing Response; the foregoing Response has been assembled by authorized employees of Monsanto Company who have informed deponent that the foregoing Response is true; and that to the best of deponent's knowledge this Response is true.

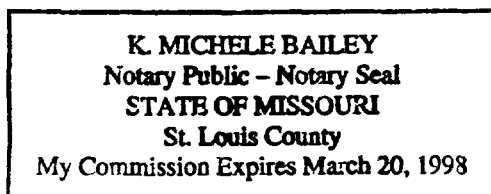


Peter C. Wright
Bryan Cave LLP
One Metropolitan Square
St. Louis, Missouri 63102-2750
Attorney for Monsanto Company

Subscribed and sworn to before me
this 15th day of December, 1997.



Notary Public in and for said
County and State



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SUPERFUND DIVISION

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THIS CONTRACT, entered into the 30th day of December, 1947, effective as of the 1st day of January, 1948, between THE UNITED STATES OF AMERICA (hereinafter called the "Government"), and the MONSANTO CHEMICAL COMPANY (hereinafter called the "Contractor"), a corporation organized and existing under the laws of the State of Delaware, having its principal place of business in St. Louis, Missouri,

WITNESSETH THAT:

WHEREAS, the Contractor, under Contracts No. W-7407-eng-18, dated the 14th day of July, 1943, as amended and extended, and No. W-35-058-eng-71, dated the 1st day of May, 1945, as amended and extended, has performed certain architectural, engineering, research, development and production work for the War Department and the Atomic Energy Commission (hereinafter called the "Commission") at Units 3 and 4 of the Contractor's Central Research Department, Dayton, Ohio; and

WHEREAS, the Government has determined that it is in its best interest to continue the performance of such work under this contract, upon the terms and conditions hereinafter set forth; and

WHEREAS, upon request of the Government, the Contractor has expressed willingness to undertake the continuation of the aforesaid work in the relationship of an independent contractor with the Government; and

WHEREAS, the Commission has determined that the performance of the work to be performed hereunder by the Contractor, as hereinafter described, is necessary in carrying out this Nation's atomic energy program as set forth in the Atomic Energy Act of 1946,

NOW, THEREFORE, the parties hereto do mutually agree as follows:

TITLE I

DESCRIPTION OF FACILITIES

ARTICLE I-A - PLANT

The Plant hereinafter referred to shall be composed of the Government-owned buildings and facilities, together with the utilities and appurtenances thereto, completed or under construction, and the land whereon situate, to be known as Mound Laboratory and now known as Unit 5 of Contractor's Central Research Department, located at Miamisburg Ohio, (including all additions and extensions thereto agreed to in writing from time to time by the Contractor and Commission without the execution of an amendment to this contract), and pending completion of said Mound Laboratory, shall also consist of Units 3 and 4 of Contractor's Research Department located at or near Dayton, Ohio, now operated by the Contractor under Government Contract No. W-35-058-eng-71.

TITLE II

ARCHITECTURAL, ENGINEERING, PROCUREMENT OF EQUIPMENT AND CONSTRUCTION MANAGEMENT SERVICES

ARTICLE II-A - STATEMENT OF WORK

1. The Contractor shall perform, on written request from the Commission, all the necessary architectural, engineering, procurement of equipment and construction management services, enumerated below, as may from time to time be required in connection with the construction (including reconstruction, remodeling, razing or demolishing) of the Plant or any portion thereof or any addition or extension thereto.

a. Architectural and Engineering Services:

(1) Make all the necessary topographical and other surveys and maps; arrange for and supervise necessary test borings and other subsurface investigations; provided, however, that this provision shall not be deemed to require the Contractor to make real estate surveys.

(2) Prepare preliminary studies, sketches and layout plans and reports, including estimates of cost, as directed by the Commission.

(3) Where applicable in the opinion of the Contractor, adapt and modify Government designs, drawings, specifications and standards for buildings and other structures as necessary to meet the requirements of the layout of the work directed by the Commission and prepare detailed designs, specifications and drawings in required form for which Government designs are incomplete or unavailable.

(4) Obtain necessary permits and approvals from all local, state and Federal authorities as are required in connection with the work under this Title II. Should it become necessary in the performance of the work and services for the Contractor to secure the right of ingress and/or egress to perform any of the work required by this Title II on properties not owned or controlled by the Government, the Contractor shall secure the consent of the owner, his representative or agent, prior to effecting entry on such property. In the event the owner requires the payment of any fee for a license to enter upon and/or use such property, the Contractor shall pay such fee and obtain a receipt therefor.

(5) Prepare estimates of material quantities required for the construction work.

(6) Prepare final designs, detailed working drawings, and specifications necessary for the efficient execution of the construction work. Final designs and specifications shall be subject to the approval of the Commission as to the scope, character, location, and general adequacy of the proposed facilities to be constructed. Prepare copies of the specifications and sets of copies of working drawings in such manner

and in such numbers as the Commission may require. There shall be included in the specifications all provisions which the Commission may direct to have incorporated therein relating to the awarding of construction contracts contemplated by the Government.

(7) Prepare an estimate of the cost of the construction work based on the designs, drawings and specifications for such construction work.

(8) Furnish, for the approval of the Commission:

(a) Schedules and charts showing the proposed sequence of operations in the construction of each of the several portions of the work;

(b) Labor estimates, to be prepared with the assistance of the constructors, showing the approximate numbers, trades and dates required to meet the schedules in (a) above.

(9) Establish a permanently monumented base line, with elevations, tied into the North American Datum, unless specifically exempted by written instructions from the Commission. Furnish all governing lines, bench marks and grades essential to the construction work.

(10) Check and approve all shop and working drawings prepared by others, and submitted to the Contractor in connection with the construction work to assure that they conform with approved drawings.

(11) Upon termination or completion of each program of work and services under this Title II as determined by the Commission the Contractor shall:

(a) Prepare record drawings to show details of construction actually accomplished, as follows: Drawings of topographical surveys, project layouts, utility layout maps, unit layout maps (including utilities), landscape layouts, and detailed drawings for all special structures of a permanent nature, including sewage disposal plants, and water and electrical supply systems. Such drawings shall be prepared in pencil on tracing paper or pencil tracing cloth of quality approved by the Commission unless otherwise directed by the Commission.

(b) Check to determine that all record drawings prepared by others than the Contractor are prepared in pencil on tracing paper or pencil tracing cloth of quality approved by the Commission unless otherwise directed by the Commission.

(c) Prepare instructions for the proper operation and maintenance of all utilities and operating equipment designed by the Contractor.

(d) Prepare a completion report covering work done under the program.

(12) Perform all other architectural and engineering services in connection with the Plant as may be necessary to carry out the directions of the Commission.

(13) The Government shall furnish the Contractor such available schedules of preliminary data, layout sketches, and other available information respecting sites, topography, soil conditions, outside utilities and equipment, and shall make available to the Contractor such Government designs, drawings, specifications, details, standards and safety practices as are applicable to the Contractor's work, as called for under this contract.

(14) The Contractor may accomplish the architectural and engineering work described in this Title II either with its own forces or by subcontract, said subcontract or subcontracts to be subject to the approval of the Commission as to form and price.

b. Procurement of Equipment Services

(1) Determine, in the shortest reasonable time, the equipment requirements, other than those for construction equipment, and thereupon proceed to do all things necessary and incidental to the procurement of equipment required for any program requested by the Government within the scope of this Title II.

(2) Arrange for receiving and perform the inspection of said equipment to see that it conforms with plans, specifications and purchase orders, noting damage due to shipping or other imperfections.

(3) The Government reserves the right, upon written notice to the Contractor, to furnish any of said equipment, provided said equipment so to be furnished by it is, in the opinion of the Contractor, of a suitable type and in satisfactory operating condition.

c. Construction Management Services

(1) The Contractor shall furnish construction management services which shall include, among other functions, complete inspection of all work performed by the constructor or constructors in order to insure compliance with plans and specifications as prepared by the Contractor, direction of such work, and scheduling such contracts as to units of work and time of completion, all as hereinafter set forth.

(a) The Contractor shall perform a complete inspection and shall as described below direct all construction work in order to assure compliance with approved plans and specifications, as prepared by it. The Constructor, in any collateral contract for construction, will be required by the Government to accept such directions as are given by the Contractor in connection with the quality of the work, and as are necessary to obtain compliance with approved plans and specifications and to promptly execute instructions received from him, except where, in the opinion of the constructor, such instructions are not in accordance with the constructor's contract with the Government or consistent with good construction practice, in which case the difference will be referred to the Commission for decision.

(b) The Contractor shall promptly prepare and submit to the Commission, for approval, a schedule showing the order in which the constructor or constructors should carry on the work, with dates on which he or they should start the several important features of the work and the contemplated dates for completing same. The schedule shall be in the form of a progress chart to indicate with symbols the percentage completed at any time. The Contractor shall correct the progress schedule at the end of each week and shall immediately deliver to the Commission three copies of the same.

(c) The Contractor shall furnish sufficient technical and administrative personnel for coordination of work in accordance with the approved progress schedule.

(d) Make or cause to be made such field and laboratory tests of concrete and concrete aggregates and other materials at the site or sites or at any time or place as the Commission may require. When so directed by the Commission, arrange for and supervise tests and inspections of materials and workmanship by commercial testing laboratories or other similar agencies, either at such laboratories or at the points of manufacture or fabrication of materials.

(e) Inspect and report in timely fashion in writing to the Commission as to the conformity or nonconformity of the workmanship and materials to specifications and on the progress of the program.

(f) Prepare partial and final estimates of quantities and values of work done under Government construction contracts in connection with said program, and subcontracts thereunder, necessary to provide data required under the payment provisions of such contracts and subcontracts.

2. Construction work by Contractor; subcontracting

The Contractor may perform such portion of the construction work embraced in any program requested under Section 1 of this Title II, with its own forces or by subcontract as may, in its opinion, be necessary from time to time, such subcontracting to be subject to the approval of the Commission as to form and price. With the

approval of the Commission as to form and price, the Contractor may also subcontract any portion of the work requested under Subsections b and c of Section 1 of this Title II.

ARTICLE II-B - ESTIMATED COSTS AND FIXED-FEES

Cost of the work and services under this Title II shall from time to time be estimated by the Contractor and the Government and fixed-fees shall be agreed upon by the Contractor and the Government; provided, however, that no fee shall be payable to the Contractor for the work under this Title II requested by notice from the Commission to the Contractor dated simultaneously herewith, a copy of which is annexed hereto, marked Appendix A and made a part hereof, the total estimated cost of which is hereby agreed to be \$ 900,000.00. Such cost estimates, fixed-fees and additional provisions, if any, with respect to such work and services, shall then be incorporated in this contract as a part of this Title II by appropriate amendments thereto. It is expressly understood and agreed, however, that neither the Government nor the Contractor guarantees the correctness of the estimate above set forth or of any subsequent estimate.

TITLE III

RESEARCH, DEVELOPMENT AND PRODUCTION SERVICES

ARTICLE III-A - STATEMENT OF WORK

1. The Contractor shall commence performance under this contract on the 1st day of January, 1948, at 12:01 A.M., and shall thereafter operate and maintain the Plant hereunder in accordance with the plans and programs mutually agreed to in writing from time to time by the Contractor and the Commission without the execution of an amendment to this contract. The said plans and programs shall include, but not be limited to, research, development and production.

2. In carrying out the work under this Title III the Contractor is authorized to do and shall do all things necessary or incidental, in the best judgment of the Contractor, in operating, closing down, and/or maintaining the Plant, or any part thereof, including, but not limited to, the employment of all professional, technical, skilled and non-skilled personnel to be engaged in the work hereunder (who shall be subject to the control and, for purposes of this contract, shall constitute employees of the Contractor), the training of personnel to the extent approved by the Commission, the providing of all premises, services,

laboratories, materials, tools, machinery, equipment and supplies (except as the Government is to or may furnish or supply as elsewhere specifically provided herein), the preparation of materials and products, the storage of materials, tools, machinery, equipment and supplies and of finished products, the preparation of any products for shipment and the loading of same on cars or other carriers.

3. In providing materials and supplies as provided in Section 2 above, the Contractor shall be free, but shall not be obligated, to use any materials or supplies of its own manufacture upon advising the Government in writing in advance as to the prices at which and the conditions upon which such materials or supplies will be provided, which prices and conditions, however, shall not be less favorable than those quoted by it to third parties for similar quantities and deliveries, and may be quoted without regard to the provisions of Section 7 of Article IV-A hereof. In the event the Government is able to obtain materials or supplies of equal quality and quantity at a lower price or on more favorable conditions from a responsible competitive source or from its own manufacture, it may undertake to do so upon so informing the Contractor in writing within ten (10) days after being advised of the Contractor's price for such material or supplies. The Contractor shall be paid for any materials or supplies of its own manufacture so furnished by separate voucher making reference thereon to Section 3 of this Article III-A.

ARTICLE III-B - ESTIMATED COST

It is estimated that the cost of the work under this Title III, exclusive of the Contractor's fixed-fee, will be approximately Seven Million, Five Hundred Thousand Dollars (\$7,500,000.00) through June 30, 1949. It is expressly understood and agreed, however, (i) that neither the Government nor the Contractor guarantees the correctness of such estimate or of any future or revised estimate, (ii) that such estimate and future estimates shall be revised as provided for in Article IV-D hereof, and (iii) that, except as otherwise provided herein, there shall be no adjustment in the amount of any fixed fee or overhead allowance, provided for in Articles III-C and IV-A hereof, and no claim for increased compensation, because of any errors and/or omissions in computing such estimated cost or any future or revised estimate, or because such estimated cost or any future or revised estimate varies from the actual costs.

ARTICLE III-C - CONSIDERATION

1. In full and complete compensation for its undertakings and performance under this Title III the Contractor shall receive the following:

- a. Reimbursement for its costs and expenses as provided for in Article IV-A hereof,
- b. An overhead allowance as provided for in Article IV-A hereof,
- c. Payments provided for in Section 3 of Article III-A hereof, and
- d. A fixed fee in the amount of Three Hundred Seventy-five Thousand Dollars (\$375,000.00) for the period from January 1, 1948 to June 30, 1949, inclusive, payable as provided in Article IV-B hereof.

2. It is the intention of the parties, as soon as and if reasonably practicable, to place the work provided for in Title III hereof, or the major part thereof, on a contractual basis other than cost-plus-a-fixed-fee, and to that end the parties agree that for operations after June 30, 1949 the Commission and the Contractor shall negotiate to agree upon another form of compensation to be incorporated in a supplemental agreement to this contract or another contract between the parties; provided, however, that the failure so to agree shall not be deemed to be a dispute disposable in accordance with Article VI-W hereof; and provided, further that in the event of such failure the Contractor shall receive in full and complete compensation for its undertakings and performance subsequent to June 30, 1949 under this Title III the following:

- a. Reimbursement for its costs and expenses as provided for in Article IV-A hereof,
- b. An overhead allowance as provided for in Article IV-A hereof,
- c. Payments provided for in Section 3 of Article III-A hereof, and
- d. A monthly fixed-fee or other form of additional compensation to be mutually agreed upon and incorporated in a supplemental agreement to this contract.

TITLE IV

COST OF PERFORMANCE AND PAYMENT THEREFOR

ARTICLE IV-A - CONTRACTOR'S COSTS AND EXPENSES

1. Except as otherwise set forth in this contract, the Contractor shall be reimbursed for all costs and expenses, except those covered by Section 2 of this Article, (including, but not limited to, losses, expenses of litigation including attorney's fees, and settlements made with the approval of the Commission) which it incurs in connection with its performance under this contract at the Plant or elsewhere and which are necessary or incidental to such performance and are not expressly excluded by other provisions of this contract; provided, however, that if the Commission considers any particular expenditure as not being reimbursable it shall so notify the Contractor in writing with the reasons therefor whereupon the question of reimbursement, unless disposed of by mutual agreement of the parties, shall be disposed of

in accordance with the provisions of Article VI-W. It is expressly understood and agreed that all matters of reimbursement shall be governed by the provisions of Articles IV-D and IV-E as well as other pertinent provisions of this contract.

2. In addition to such reimbursement, the Contractor shall be paid for the month of January 1948 and for each month thereafter, at the end of the month, an "overhead allowance" of Ten Thousand Dollars (\$10,000.00) per month in full payment for the following costs and expenses of its performance hereunder which, for purposes of this contract shall be deemed to be (i) overhead costs of Title III work and (ii) not subject to reimbursement under Section 1 of this Article, to wit:

a. Any costs or expenses of the operation of the Contractor's main office in St. Louis, Missouri, except the salaries or wages and traveling expenses of personnel of said office, other than Department Heads, while engaged in performance of the work hereunder away from St. Louis, Missouri; and

b. Any of the following costs or expenses of the operation of Unit One of Contractor's Central Research Department in Dayton, Ohio:

(1) Salaries or wages of, or overhead upon, the following:

Administration: Associate Director, Unit One, two secretaries, receptionist; Accounting: Chief Accountant, secretary, two clerks; Purchasing: Purchasing Agent, clerk; Receiving: Stores Supervisor, mail clerk, station wagon driver; Communications: PBX operator; Cafeteria: Manager, two attendants; Library: Manager, three clerks; Personnel: Director, Assistant Director, one secretary; Security: Guard Captain, seven guards; Janitorial: three janitors; Engineering: Assistant Director.

(2) Overhead upon the other employees.

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3. In making reimbursement to the Contractor for costs and expenses incurred pursuant to its employee welfare and other Company policies, the Government shall be obligated to reimburse only for a proper proportionate share of such costs, and all such reimbursements shall be in accordance with Appendix B to this contract as said Appendix may be amended from time to time. It is expressly understood and agreed that said Appendix B may be modified in any respects from time to time in writing by mutual agreement of the Commission and the Contractor without the execution of an amendment to this contract. It is understood and agreed (i) that said Appendix B shall be deemed to be amended from time to time to the extent that it may be inconsistent with written agreements made as a result of collective bargaining with representatives of Contractor's employees, and (ii) that it is the intention of the parties for purposes of reimbursement to treat employees of the Contractor (including borrowed personnel) engaged directly on the work hereunder, except as may be otherwise provided from time to time in said Appendix B, no more and no less favorably than other employees of the Contractor.

4. In making reimbursement to the Contractor for the costs of operating and maintaining an airplane the Government shall be obligated to reimburse only for a proper proportionate share of such costs based on the number of miles travelled by said airplane during each month in connection with the performance of the work under this contract as compared to the total miles travelled by said airplane during the same month for all purposes of the Contractor.

5. The Contractor shall also be reimbursed for all costs and expenses including, but not limited to, claims, liabilities, obligations and commitments, incurred by the Contractor in connection with Units 3, 4 and 5 of its Central Research Department which are payable or reimbursable under the provisions of Government Contract No. W-35-058-eng-71 and not heretofore or hereafter paid or reimbursed under said contract; it being expressly understood and agreed that the Government may, in its sole discretion elect, conditioned only upon the availability of appropriations therefor, to make payment or reimbursement under said Contract No. W-35-058-eng-71.

6. Except as otherwise provided in this contract, including Appendix B thereof, (1) no salaries, wages or like compensation of the Contractor's corporate officers, (2) no overhead expenses of any kind of the Contractor's main offices or regularly established branch offices, and (3) no interest on capital employed or on borrowed money, shall be included in the cost of the work under this contract.

7. The Contractor shall, to the extent of its ability, take all cash and trade discounts, rebates, allowances, credits, salvage, commissions and bonifications.

8. All revenue received by the Contractor from its operations hereunder including, but not limited to, the operation of the hospital, commissaries, or other facilities, and rebates, discounts, refunds, etc., shall be accounted for by the Contractor and, except for any reasonable compensation accruing to a third party or parties for the operation of the hospital, commissaries, or other facilities, applied in reduction of the Government cost of the work.

ARTICLE IV-B - PAYMENTS

1. The Government will currently reimburse the Contractor for its reimbursable costs and expenses under this contract upon submission to and approval by the Commission of vouchers supported by invoices or other evidence satisfactory to the Commission. Reimbursement will be made as promptly as possible. All payments made under this Section shall be subject to all pertinent provisions of this contract including Articles IV-D and IV-E.

2. The fixed-fee provided for in Title III hereof shall be paid to the Contractor in equal monthly installments, at the close of each calendar month of performance under this contract. The fixed-fee or fees, if any, to be provided for in amendments to Title II hereof shall be paid as therein set forth.

ARTICLE IV-C - ADVANCE PAYMENTS

1. The Government shall advance to the Contractor, as requested and as needed by the Contractor, interest-free sums not to exceed fifteen percent (15%) of the then current estimated cost of the work under Title III hereof plus such percentage of the current estimated cost of the work under Title II hereof, as amended, as the Commission and the Contractor may mutually agree to from time to time in writing without the execution of an amendment to this contract, for use as a revolving fund. The phrase "estimated cost of the work" as used in this Article shall be deemed to include fixed-fees and overhead allowance.

2. As a condition precedent to the making of any advance payment or payments as hereinbefore provided, the Contractor shall furnish the Government with such adequate security as the Commission shall prescribe; provided that if other security is not prescribed, the terms of this contract shall be considered adequate security for such advance payments; and provided, further, that if at any time the Commission deems the security furnished by the Contractor inadequate, the Contractor shall furnish such additional security, in the form of a surety bond or surety bonds, as shall be satisfactory to the Commission.

3. Until all advance payments hereunder are liquidated, all funds received as advance payments under this contract, together with all funds received as reimbursements for the cost of the work under this contract (exclusive of the fixed fees and overhead allowance provided for in this contract) shall be deposited in a special bank account or accounts at a member bank or banks of the Federal Reserve System or any "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935; 49 Stat. 684) as amended (12 U.S.C. 264) separate from the Contractor's general or other funds. Such special bank account or accounts shall be designated so as to indicate clearly to the bank their special character and purpose, and the balance in such account or accounts shall be used by the Contractor exclusively as a revolving fund for carrying out the purposes of this contract and any amendments thereto and not for other business of the Contractor. Any balances from time to time in such special account or accounts shall at all times secure the repayment of the advances in connection with which the special account or accounts are opened, and the Government shall have a lien upon such balances to secure the repayment of such advances, which lien shall be superior to any other lien upon such account or accounts; provided, that the bank shall be under no liability to any party hereto for the withdrawal of any funds from said special account upon checks, properly indorsed and signed by the Contractor, except that after the receipt by the bank of written directions from the Commission the bank shall act thereon and be under no liability to any party hereto for any action taken in accordance with said written directions. Any instructions or written directions received by the bank in due course upon U.S. Atomic Energy Commission stationery and purporting to be signed by, or by the direction of, the Commission shall, insofar as the rights, duties, and liabilities of the bank are concerned, be conclusively deemed to have been properly issued and filed with the bank by the Commission.

4. It is agreed that the aggregate of the advance payments outstanding under this contract, together with funds received by the Contractor as reimbursement for the cost of the work, including payment of the fixed fees and overhead allowance under this contract, shall at no time exceed the total then current estimated cost of the work under this contract, and any such excess shall be immediately repaid by the Contractor to the Government, or, if any payment or reimbursement is due from the Government to the Contractor, shall be deducted therefrom; provided, however, that if the total cost of the work shall be in excess of the amounts so paid to the Contractor, including said advance payments, the Government, upon presentation of satisfactory evidence shall currently and promptly pay or reimburse the Contractor to the extent of such excess cost (subject to any delay in the availability of appropriated funds).

5. If, upon expiration of this contract, or upon termination thereof for other than the fault of the Contractor, the advance payments made to the Contractor in respect of this contract have not been fully liquidated, the unliquidated balance of such advance payments shall be deducted from any payments or reimbursements otherwise due the Contractor in respect of this contract; and if the sum or sums due the Contractor be insufficient to cover such balance, the deficiency shall be paid by the Contractor in cash forthwith after demand and final audit by the Government of all accounts hereunder in respect of this contract; provided, however, that in the event of such termination of this contract for other than the fault of the Contractor, such deduction shall not be made prior to final audit unless, and then only to the extent that the Commission shall determine that such action is reasonably required in order to secure the eventual repayment in full to the Government of such unliquidated advance payments. In the event of cancellation or termination of this contract because of the fault of the Contractor, the Contractor, notwithstanding any ultimate rights to be paid or reimbursed, agrees to return to the Government, upon demand, without setoff of any sums alleged to be due the Contractor, the unliquidated balance of any advance payment. Furthermore, if, in the opinion of the Commission, the unliquidated balance of the advance payments made by the Government under Section 1 hereof exceeds the amount necessary for the current needs of the Contractor, as determined by the Commission, the amount of such excess shall, upon demand by Commission, be promptly returned to the Government and will be credited against the balance due the Government on advances previously made. If any demand made in accordance with this Section is not met upon receipt of such demand by the Contractor, the amount demanded will bear interest at the rate of six per cent (6%) per annum from the date of the receipt of the demand until payment is made; provided, however, that such payment of interest is hereby waived as to any sum paid by the Contractor within fifteen (15) days after the amount becomes due. If and when the Contractor has, by means of deductions or otherwise, reimbursed the Government in full for payments made, any money remaining in the special bank account or accounts shall be free and clear of any lien under this Article and the bank or banks concerned shall have authority to pay same to the Contractor and shall thereupon be relieved of any further obligation to the Government on account thereof.

6. The Contractor shall, at all reasonable times, afford to the Commission proper facilities for the inspection and audit of the Contractor's pertinent accounts, and the Contractor hereby agrees that the Commission shall have the right so far as the Contractor's rights are concerned, during business hours, to inspect and make copies of any entries in the books and records of the bank or banks relating to the said special account or accounts.

7. The Contractor may make payments to subcontractors and materialmen in advance out of the special account, for labor or services, or to pay for materials in advance of delivery at the site of the work or at an approved storage site. Such subadvances shall not exceed thirty per cent (30%) of the subcontract price or estimated cost, as the case may be, and the subcontractor or materialmen to whom such advances are made shall furnish adequate security therefor. Unless other security required and approved by the Commission is furnished, covenants in subcontracts or purchase agreements expressly made for the benefit of the Government, providing for a sub-special account with Government lien thereon and for a Government lien on or title to property, tangible or intangible, purchased from the special account, and imposing upon the subcontractor or materialman substantially the same duties and giving the Government substantially the same rights as are provided herein between the Government and the Contractor, shall be deemed minimum adequate security for such sub-advances.

8. Any assignment of monies due or to become due under this contract shall be subordinate to the rights or claims of the Government arising under this contract by virtue of any advance payments authorized herein or otherwise; provided that, if at any time any claim arising under this contract is assigned or purportedly assigned in any manner inconsistent with said rights of the Government, the Commission shall have the right to suspend further advance payments without notice.

9. Notwithstanding any other provisions of this Article, the Government upon the request of the Contractor from time to time prior to the expiration or termination of this contract, shall advance to the Contractor interest-free sums not to exceed the amounts necessary to establish, maintain, and replenish in full the collateral or guarantee funds provided for under agreements mentioned in Section 4 of Article VI-L hereof. Upon the making by the Contractor of payments to the insurance carrier under said agreements the advance payments made to the Contractor by the Government under this Article shall be deemed to be liquidated to the extent of the payments and withdrawals so made by the Contractor.

10. Notwithstanding any other provisions of this Article, the Government, upon the request of the Contractor, from time to time prior to the expiration or termination of this contract, shall advance to the Contractor, interest-free sums in the amounts necessary to replenish the Benefit Fund, or to make direct payments, pursuant to Article VI-N hereof. The advance payments so made to the Contractor by the Government shall be deemed to be liquidated to the extent utilized to replenish said Benefit Fund or to make said direct payments.

ARTICLE IV-D - OBLIGATED FUNDS; REVISED ESTIMATES OF COST

1. As of the date of execution of this contract the Commission has obligated for it the sum of Eight Million Seven Hundred Seventy-five Thousand Dollars (\$8,775,000.00).

2. When and as the plans and programs of work hereunder are revised pursuant to Section I of Article III-A hereof or work is added by amendment to Title II hereof, the Contractor and the Commission shall jointly prepare revised cost estimates; and when mutually agreed upon in writing without the execution of an amendment to this contract,

(i) if prior to June 30, 1949, the excess, if any of estimated cost to and including June 30, 1949, or

(ii) if subsequent to June 30, 1949, the excess, if any, of estimated cost to the end of the then current Government fiscal year,

over funds then obligated for this contract shall constitute obligations against such funds of the Commission, available for obligation at the time the agreement is made, as the Commission may designate.

3. Prior to the beginning of each Government fiscal year, commencing with July 1, 1949, the Contractor and the Commission shall jointly prepare (i) cost estimates for the expenditures to be made during such fiscal year for all work required under the contract; and (ii) an estimate of the amount, if any, of Commission funds previously obligated for this contract which will be available for such expenditures; and when mutually agreed upon in writing without the execution of an amendment to this contract, such net estimates shall constitute obligations against such funds of the Commission, available for obligation at the time the agreement is made, as the Commission may designate.

4. In addition to the foregoing, any obligation of Commission funds for this contract may be increased from time to time by the Commission solely in its discretion. Upon the making of any such increase the Commission shall notify the Contractor in writing of the amount of such increase and of the funds obligated.

5. Subject only to the provisions of Article IV-E hereof, when and if the agreed compensation for the work performed hereunder, including fixed fees, overhead allowance and expenses incurred and obligated by the Contractor hereunder, shall equal the then current Commission obligation of funds for this contract, the Contractor shall be excused from further performance under this contract, and the Contractor shall not incur further costs or obligations hereunder (exclusive of any obligations or payments for personal injuries, diseases, deaths, damages to property and/or under Article VI-N hereof) unless and until the Commission shall increase the obligation of Commission funds for this contract; provided, however, that the fixed fees and overhead allowance hereunder shall continue to accrue. The Contractor will promptly advise the Commission when it is indicated that additional Commission funds will be needed and shall estimate the amount of such additional funds and time when same will be needed.

ARTICLE IV-E - RESPONSIBILITY OF CONTRACTOR-CONTINGENCIES

1. The Commission has urgently requested the Contractor to undertake the work under this contract and deems the undertaking of such work by the Contractor to be essential in the interest of the common defense and security of the United States. The Commission and the Contractor recognize that the work under this contract may involve unusual, unpredictable, and abnormal risks, is of an extraordinary nature and that its accomplishment may be attendant with risk of damage to property, injuries to persons, failures or delays in performance, general administrative difficulties involving personnel procurement, procurement of materials and supplies and many other unusual circumstances which will result in certain excesses in cost. The Contractor is unwilling to undertake the contract work except upon the conditions hereinafter in this Article IV-E set forth.

2. While it is the purpose and intent of the parties that the Contractor shall exercise the same degree of care and diligence (unless otherwise directed by the Commission) in carrying out and performing the work provided for in this contract as it normally does in its other operations and as it would if the Plant to be operated and maintained hereunder belonged to the Contractor, nevertheless, in view of the circumstances set forth in Section 1 of this Article IV-E, the Government and the Contractor agree that:

a. All performance under this contract is to be at the expense of the Government, and the Contractor shall not be liable for, and the Government shall forever indemnify and hold the Contractor, its directors, officers, agents and representatives, jointly and severally harmless against any delay, failure, loss (including loss of property, whether or not Government-owned, and operational loss), expense (including litigation expense) or damage (including damages resulting from personal injuries and deaths of persons, and destruction of or damage to property, whether or not Government-owned) of any kind or for any cause whatsoever arising out of or connected with the performance of this contract, and whether or not any employee or employees of the Contractor may be responsible therefor; and

b. Except as otherwise agreed by the Commission and the Contractor without an amendment to this contract, and whether prior or subsequent to expiration or termination of this contract, (1) the Government shall assume and carry on, at its own expense, the defense of all claims, suits, or legal proceedings which may be asserted or instituted against the Contractor, its directors, officers, agents or representatives, on account of any acts or omissions in the performance of this contract, (2) the Government shall pay directly and shall discharge completely all final judgments, including assessed costs, entered against the Contractor, its directors, officers, agents or representatives, jointly or severally, in litigation instituted against the Contractor, its directors, officers, agents or representatives, on account of any act or acts or omission or omissions in the performance of this contract, and (3) the Government shall discharge completely any and all claims against the Contractor, its directors, officers, agents or representatives, arising out of or in

connection with the performance of this contract which are settled by an agreement approved in writing by the Commission.

3. The provisions of Subsections a and b of Section 2 of this Article IV-E shall not apply in any instance where the Government shall establish that the delay, failure, loss, expense, or damage was caused directly by bad faith or willful misconduct on the part of some director or officer of the Contractor or on the part of the representative of the Contractor (whether or not a Corporate Officer) having direction of the whole of the Plant operated by the Contractor under this contract; and in no event shall the provisions of the said Subsections a and b inure to the benefit of any director, officer, agent, or representative, where the government shall establish that the delay, failure, loss, expense, or damage was caused directly by his bad faith or willful misconduct.

ARTICLE IV-F - CONTRACTOR'S OWN FUNDS

The Contractor shall be under no obligation whatsoever to advance or to use any of its own funds in the performance of this contract, but it shall be reimbursed as provided in this contract to the extent that it, at its option, may advance or use any of its own funds for such purpose.

TITLE V

TERM AND TERMINATION

ARTICLE V-A - TERM

The period of performance of the work hereunder by the Contractor, except for close-out upon expiration or termination, shall expire at 12:00 midnight on the 30th day of June, 1951, unless sooner terminated in accordance with the provisions of this Title.

ARTICLE V-B - TERMINATION AND EXPIRATION

1. a. The performance of work under this contract may be terminated by the Government (i) in whole whenever the Contractor shall default in performance, and shall fail to cure the fault or failure within such period as the Commission may allow after receipt from the

Commission of a written notice specifying the fault or failure, or (ii) in whole, or from time to time in part, whenever, but upon not less than thirty (30) days prior written notice to the Contractor, for any other reason the Commission shall determine any such termination is for the best interests of the Government. Such termination shall be effected by delivery of a written notice of termination specifying whether termination is for default of the Contractor or convenience of the Government, the extent to which performance of work under the contract shall be terminated, and the date upon which such termination shall be effective.

b. The performance of work under this contract may be terminated by the Contractor in whole at any time in its discretion, but upon not less than ninety (90) days' prior written notice to the Commission.

2. Such termination by either party shall be without prejudice to any claims which either party may have against the other. Upon expiration of the term, or termination in whole or in part, of performance of the work hereunder:

a. Except as otherwise mutually agreed to in writing by the Commission and the Contractor without the execution of an amendment to this contract, the Government shall assume and become liable for all obligations, commitments and claims that the Contractor may have theretofore in good faith undertaken or incurred in connection with said work, the cost of which is reimbursable in accordance with the provisions of this contract; and the Contractor shall, as a condition of receiving the payments mentioned in this Article, execute and deliver all such papers and take all such steps as the Commission may require for the purpose of fully vesting in the Government, the rights and benefits of the Contractor under such obligations or commitments.

b. The Contractor shall take such other action with respect to the affected work as the Commission and the Contractor may mutually agree to in writing without the execution of an amendment to this contract; provided, however, that in the event of a failure to agree to take other action the Contractor shall take reasonable steps for the protection of Government property and shall take all steps required by other pertinent provisions of this contract.

c. The Government shall reimburse the Contractor in accordance with Article IV-A hereof for (i) all its costs and expenses of performance, reimbursable under this contract and not previously reimbursed, which were made or incurred prior to the effective date of termination or expiration; and (ii) all its costs and expenses in connection with the termination, expiration and/or winding up of performance of the work under this contract.

d. Upon partial termination pursuant to this Article:

(1) In connection with a partial Title III termination the Contractor and the Commission shall promptly negotiate to agree upon an equitable revised overhead allowance to be effective with the termination and the agreement reached shall be evidenced by a supplemental agreement. If within a reasonable time the Contractor and the Commission fail to agree upon such revised overhead allowance,

the failure to agree shall be deemed a dispute which shall be disposed of in accordance with Article VI-W hereof.

(2) In connection with a partial Title II termination the Contractor shall be paid a proper proportionate share of the fixed fees for the terminated work, less fee payments previously made.

e. Upon expiration or complete termination pursuant to this Article:

(1) If the performance of the work is terminated due to fault of the Contractor, no additional payments on account of any fixed fee or overhead allowance hereunder, except unpaid installments of fixed fees or overhead allowances accrued prior to the month of termination, will be made. If the performance of the work is terminated for the convenience of the Government, or by the Contractor, the Contractor shall be paid (i) all then unpaid installments of the fixed fee and overhead allowance for Title III work hereunder accrued and pro-rated to and including the effective date of termination (ii) that portion of the aggregate fixed fees provided for in amendments to Title II hereof which the work thereunder actually completed bears to the entire work under said Title II, less fee payments previously made, and (iii) a fixed fee and an overhead allowance for its subsequent services in connection with the termination, expiration and/or winding up of this contract. The Contractor and the Commission shall promptly negotiate to agree upon an equitable fixed fee and overhead allowance to cover such subsequent termination, expiration and/or winding up services and the fixed fee and overhead allowance so agreed to therefor shall be incorporated in a supplemental agreement to this contract. The failure to so agree upon a fixed fee and overhead allowance for such termination, expiration and/or winding up services within a reasonable time shall be deemed to be a dispute which shall be disposed of in accordance with Article VI-W hereof.

3. As used in Section 2 of this Article the words "its costs and expenses in connection with the termination, expiration and/or winding up of performance of the work under this contract" mean the Contractor's actual costs and expenses made or incurred pursuant to such Section and properly chargeable to this contract, and also mean any other reasonable cost which is approved or ratified by the Commission as incidental to the termination of work under this contract, including, but not limited to, legal, accounting and clerical costs and expenses.

4. The obligation of the Government to make any of the payments required by Section 2 of this Article shall be subject to any unsettled claims in connection with this contract which the Government may have against the Contractor.

5. The Contractor and the Commission shall, if possible, agree upon the whole or any part of the amount or amounts, including an amount with respect to fixed fees and overhead allowance payable under this contract, payable in connection with the Contractor's claim under this contract in the event of the total or partial termination, or expiration, of the work hereunder. Any agreement so reached shall be evidenced by a supplemental agreement which shall be final and binding upon the parties with respect to their respective claims against each other except as therein otherwise expressly provided.

6. No settlement under this Article shall prejudice the Contractor's rights to reimbursement with respect to claims (including any which may arise under the provisions of Article VI-N) subsequently found or determined by (i) an Officer of the Contractor or (ii) by the representative of the Contractor having direction of the whole of the Plant operated by the Contractor under this contract, to have been incurred in the performance of this contract and not so known or determined at the time of such settlement.

TITLE VI

GENERAL

ARTICLE VI-A - TITLE TO THE WORK

Title to all property (including, but not limited to, materials, tools, machinery, apparatus, equipment, supplies, and products) acquired or manufactured by the Contractor under this contract and for which it is entitled to reimbursement hereunder shall pass directly from the vendor or supplier to the Government at the point of delivery thereof or at such other point or points as the Commission may designate in writing; provided, that the right of final inspection and acceptance or rejection of said property at such place or places as it may designate in writing is reserved to the Commission; provided, further, that upon such final inspection the Contractor shall be given written notice of acceptance or rejection as the case may be. In the event of rejection the Contractor shall be responsible for removal of the rejected property at Government expense within a reasonable time. Except as otherwise expressly provided in this Contract such property, other than products manufactured by the Contractor at the Plant, shall remain in the custody of the Contractor during the term of this contract and the Contractor shall have the right to use the same in the performance of the work hereunder.

ARTICLE VI-B - EXPERT TECHNICAL ASSISTANCE

When, in the judgment of the Contractor, the complexity and nature of the project are such as to require expert technical assistance, services or advice in connection with special phases of the work of a highly technical character, the Contractor may engage or otherwise obtain such supplemental professional services as are necessary for the proper performance of this contract. The obtainment of such supplemental professional services shall entail no adjustment of any fixed fee.

ARTICLE VI-C - INSPECTION AND REPORTS

1. The Commission shall have the right to inspect in such manner and at such times as it deems appropriate all activities of the Contractor arising in the course of the work under this contract.

2. The Contractor shall make such reports to the Commission, with respect to the Contractor's activities under this contract, as the Commission may require from time to time.

ARTICLE VI-D - SUBCONTRACTS, PURCHASES, ETC.

1. The Contractor shall not subcontract any part of the work it is obligated to perform under Title III of this contract except as authorized in writing by the Commission. The subcontracting of any part of the work under Title III shall entail no adjustment of the fixed fee or overhead allowance therefor other than as provided for in the written authorization to subcontract. Work under Title II of this contract may be subcontracted as therein provided without any affect upon the fixed fee or fixed fees, if any, to be provided for in amendments to said Title.

2. The Contractor shall reduce to writing unless this provision is waived in writing by the Commission, every contract in excess of Two Thousand Dollars (\$2,000.00) made by it for the purpose of the work hereunder for services (except contracts of employment), materials, supplies, machinery, equipment, or for the use thereof; insert therein a provision that such contract is assignable to the Government; insert therein all other provisions required by law and/or expressly required by the provisions of this contract; and make all such contracts in its own name and not bind or purport to bind the Government or the Commission thereunder. No purchase in excess of Five Thousand Dollars (\$5,000.00) shall be made or placed without the prior approval of the Commission.

ARTICLE VI-E - RECORDS AND ACCOUNTS

1. The Contractor agrees to keep records and books of account, showing the actual cost to it of all items of labor, materials, equipment, supplies and services, and other expenditures of whatever nature for which reimbursement is authorized under the provisions of this contract. In keeping such records, the Contractor shall adopt such system of accounting as in its judgment conforms to acceptable accounting procedure for the type of work in question and which adequately records its financial operations with respect to the performance under this contract, it being understood that the Contractor will endeavor to adopt accounting practices recommended by the Commission.

2. The Commission shall at all reasonable times be afforded proper facilities for inspection of, and have access to, all books, records, correspondence, instructions, plans, drawings, receipts, vouchers and memoranda of every description of the Contractor pertaining to the work under this contract.

3. The Contractor shall preserve such papers at Government expense in the manner and to the extent requested by the Commission for a period of five (5) years after expiration or termination of this contract, provided, however, that the Commission may elect to preserve any portion of such papers for such period in which event (i) the Contractor shall at all reasonable times during said five (5) year period have access to the Contractor's records so preserved by the Commission and may microfilm or temporarily take and/or use any part of said records in connection with litigation or for other necessary purposes on such terms and conditions as may be mutually agreed to in writing by the Commission and the Contractor from time to time without an amendment to this contract, and (ii) the Contractor's records so preserved by the Commission shall become the property of the Government upon expiration of said five (5) year period; and, provided, further, that this Section shall not apply to books and papers relating solely to indirect costs of the work covered by the overhead allowance referred to in Section 2 of Article IV-A hereof. Prior to final settlement under this contract, the Contractor and the Commission shall negotiate to agree upon the actual cost of such Contractor preservation and the amount so agreed upon shall be paid to the Contractor by separate voucher making reference therein to Section 2 of this Article VI-E. The failure to

so agree shall be deemed a dispute which shall be disposed of in accordance with Article VI-W. Any duly authorized representative of the Contractor shall be accorded the privilege of examining the books, records and papers of the Commission relating to the actual cost of the work directly reimbursable hereunder for the purpose of checking and verifying such cost.

ARTICLE VI-F - SAFETY AND ACCIDENT PREVENTION

The Contractor agrees to conform to all health and safety regulations and requirements of the Commission. The Contractor shall take all reasonable steps and precautions to protect health and minimize danger from all hazards to life and property, and shall make all reports and permit all inspections as provided in such regulations or requirements.

ARTICLE VI-G - DRAWINGS AND SPECIFICATIONS

1. All drawings, designs, specifications, data, and memoranda of every description and relating to the work or any part thereof, are to become the property of the Government on completion thereof, subject to the right of the Contractor to retain duplicates thereof, and the Government shall have full right to use said drawings, designs, specifications, data and memoranda in any manner when and where the Government may designate without any claim on the part of the Contractor for additional compensation.

2. All drawings, designs, specifications, data, and memoranda of every description concerning the project (except the duplicates above mentioned) shall be delivered to the Government whenever requested by the Commission.

3. The Contractor shall have full right to use said retained duplicates for records or for its other own purposes to the extent not inconsistent with Article VI-H hereof subject, however, to the provisions of Article VI-C hereof hereby made applicable to such use.

ARTICLE VI-H - PATENTS

1. Whenever any discovery or invention which appears to the Commission to be novel, inventive, or patentable is made or conceived by the Contractor or any of its employees in the course of the work called for in this Contract, the Contractor shall furnish the Commission with complete information thereon and the Commission shall have the sole power to determine whether or not and where a patent application shall be filed, and to determine the disposition of the title to and the rights under any application or patent that may result. The judgment of the Commission on such matters shall be accepted as final, and the Contractor agrees that it will execute all documents and will use its best efforts to do all things necessary or proper to carry out the judgment of the Commission. It is understood that the prosecution of patent applications, the determination of questions of novelty, patentability, prior art searches, and inventionship, as well as other functions of the patent attorney, are excluded from the duties of the Contractor.

2. Without waiving any rights accruing to the Government under the foregoing provisions, it is agreed that all provisions of the Atomic Energy Act of 1946 relating to patents and inventions are hereby incorporated by reference. No claim for pecuniary award under the provisions of the Atomic Energy Act of 1946 shall be asserted by the Contractor or its employees with respect to any invention or discovery made or conceived in the course of any of the work under this contract.

3. Except as otherwise authorized in writing by the Commission, the Contractor will obtain patent agreements to effectuate the purposes of Sections 1 and 2 of this Article from all persons who perform any part of the work under this contract, except clerical and manual labor personnel who will not have access to technical data.

4. Except as otherwise authorized in writing by the Commission, the Contractor will insert in all subcontracts provisions making Sections 1, 2 and 3 of this Article applicable to the subcontractor and its employees.

5. In view of the fact that the Contractor has not made an investigation as to the possibility of patent infringement or infringements of secret inventions and both parties desire to avoid the delay incident to an investigation of such possibilities, it is agreed that the Government shall hold and save the Contractor, its directors, officers, agents and representatives, harmless from liability of any nature or kind including costs and expenses for the infringement or use of the patent rights or secret inventions of third parties arising in connection with the performance of this contract.

6. The Contractor shall promptly notify the Commission, in writing, of any and all claims of infringement that may from time to time be brought to the attention of the Contractor, and, in the event of litigation on account thereof, the Contractor shall assist the Government at the Government's expense, including the services of employees of the Contractor, in furnishing such evidence as to the use of the patents and other matters of fact as may be required by the Government in such litigation.

7. The Contractor hereby grants to the Government a perpetual royalty-free non-transferable license to directly, or through contractors, practice in the Plant, but not elsewhere, all patented inventions, secret processes, technical information and know-how of the Contractor which are incorporated in the construction or operation of the Plant by the Contractor.

8. In the event that the Commission shall give any other person (including any other Contractor having a contract with the Government for work of the type coming within the field of work covered by this contract) commercial-use rights in and to inventions and discoveries made or conceived in the course of the work under this contract, such rights shall be given to the Contractor on terms no less favorable.

ARTICLE VI-I - PROPERTY FURNISHED BY GOVERNMENT

1. The Government reserves the right to furnish any materials, equipment, machinery, tools, or services, including communication services, necessary for the performance of the work which meet the

Contractor's requirements. The Contractor shall cause all equipment, machinery, and tools to which title is vested in the Government to be suitably marked with an identifying mark or symbol to the extent that the same may be practicable, indicating that such items are the property of the United States. The Contractor shall maintain at all times in a manner satisfactory to the Commission, records showing the disposition and/or use of all equipment, machinery, tools, and materials purchased for the work and for which it is entitled hereunder to be reimbursed by the Government or which have been furnished by the Government. Upon the termination, expiration, or completion of this contract, or at such earlier date as the Contractor shall determine that such equipment, machinery, tools and/or unused materials or any part thereof are no longer needed for its performance hereunder, the Contractor shall return such equipment, machinery, tools and/or unused materials to the place designated by the Commission at the expense of the Government.

ARTICLE VI-J - DISPOSAL OF GOVERNMENT PROPERTY

It is recognized that property (including without limitation machine tool and processing equipment, manufacturing aids, raw, manufactured, scrap and waste materials), title to which is or may hereafter become vested in the Government, will be used by or will be in the care, custody or possession of the Contractor in connection with the performance of this contract. With the approval in writing of the Commission (whether such approval is given prior to or after the giving of a notice of the termination of this contract) the Contractor may transfer or otherwise dispose of such Government-owned property to such parties and upon such terms and conditions as the Commission may approve or ratify, or, with like approval by the Commission, the Contractor may itself acquire title to such property or any of it at a price mutually agreeable. The proceeds of any such transfer or disposition, or the agreed price of any property, title to which is so acquired by the Contractor, shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract, or shall otherwise be paid in such manner as the Commission may direct.

ARTICLE VI-K - ACCOUNTABILITY FOR PROPERTY

Within the time mutually agreed upon after the termination or expiration of this contract, the Contractor shall render an accounting, in accordance with the instructions of the Commission, of all property the disposition of which is governed by Articles VI-I and VI-J.

ARTICLE VI-L - SPECIAL REQUIREMENTS

1. Except as otherwise directed by the Commission in writing, the Contractor agrees to the following:

a. Procure all necessary permits and licenses; obey and abide by all applicable laws, regulations, ordinances and other rules of the United States of America, of the State, territory, or political subdivision thereof wherever the work is done, or of any other duly constituted public authority.

b. At all reasonable times during the progress of the work, keep at the Plant a duly appointed and qualified representative who shall receive and acknowledge the receipt on the part of the Contractor of such notices, directions, requests and instructions as the Commission may give pursuant to the terms of this contract.

c. Obtain the approval of the Commission before (1) purchasing motor vehicles, (ii) leasing, purchasing, or otherwise acquiring real property, (iii) purchasing any item covered by Government mandatory Treasury Schedules and similar schedules and contracts, or (iv) in performance of Title III work (1) constructing, altering or restoring any building or other facilities, including installation of equipment resulting in an increase in the capital cost of the Plant where the estimated cost exceeds \$2,000.00, (2) undertaking process improvement projects which do not result in an increase in the capital cost of the Plant where the estimated cost exceeds \$20,000.00, (3) undertaking any single non-routine group of minor facilities maintenance projects, including alteration jobs which do not result in an increase in the capital cost of the Plant each estimated to cost less than \$2,000.00 where the total estimated cost exceeds \$20,000.00, or (4) undertaking design or architect-engineer work where the estimated cost exceeds \$2,000.00, for the cost of any of which reimbursement will be claimed hereunder.

2. During the performance of this contract, the work provided for in Title III shall be under the direction of a Project Director approved by the Commission who may or may not be a Corporate Officer of the Contractor. In any event and any other provisions of this contract to the contrary notwithstanding, the Contractor shall be reimbursed for any salary, wages or like compensation paid, and other actual costs and expenses incurred, for such direction of the work whether performed by a corporate officer or other representative.

3. Whenever an actual or potential labor dispute arises in the course of the work under this contract, the Contractor shall immediately inform the Commission of the relevant facts.

4. The Contractor shall exert all reasonable efforts to procure, and shall thereafter maintain, such bonds and insurance policies and in such amounts, as the Commission may approve or require for the

protection of the Government or the Contractor. In every instance where this contract requires or permits the Government to pay the premium on a bond or insurance policy, either directly or ultimately as a reimbursable item, the bond or insurance policy shall contain an endorsement or other recital excluding by appropriate language any right on the part of the insurer or obligor to be subrogated, on payment of a loss or otherwise, to any claim against the Government. It is recognized that complete insurance coverage may not be readily obtainable for this project at acceptable rates. The Commission will make every effort, therefore, to enable the Contractor to effect an arrangement with a reputable insurance carrier or carriers to the end that mutually satisfactory insurance coverage of such types as may be included in, but not limited to the following: Workmen's Compensation, Occupational Disease, Employer's Liability, and Comprehensive Public Liability for bodily injury and property damage, may be obtained.

5. By mutual agreement of the Contractor and the Commission, the Contractor shall initiate or defend litigation arising out of or in connection with this contract. In all other cases the Commission shall initiate or defend litigation in connection with this contract. Except as otherwise hereinafter expressly provided, the Contractor also shall make appropriate assignments upon request of the Commission to enable the Government to protect its interests by litigation or otherwise. The Contractor shall give timely notice in writing to the Commission of any action filed against the Contractor or any subcontractors in connection with this contract, and of any claim against the Contractor or any subcontractor (including actions and claims for infringement of patents) which may be reimbursable under this contract. Except as otherwise directed by the Commission in writing, the Contractor shall without delay furnish to the Commission copies of all pertinent papers received by the Contractor with respect to such actions or claims. Upon request of the Commission, and to the extent not in conflict with any applicable policy or contract of insurance, the Contractor shall effect an assignment and subrogation in favor of the Government of all the Contractor's rights and claims, except those against the Government, which it may have against any third party in connection with any claims against the Contractor or subcontractor arising out of the same circumstances; and, if required by the Commission, shall authorize representatives of the Government to settle or defend any such litigation and to represent the Contractor in, or take charge of, any such litigation.

6. a. Unless requested by the Commission, the Contractor will not maintain for its own benefit or protection, any insurance (including self-insurance funds or reserves) that covers the loss or destruction of or damage to property of the Government in the possession or control of the Contractor in connection with this contract (hereinafter called "Government Property"), and will not include

or seek reimbursement under this contract for any charge or reserve representing the cost of such insurance. In accordance with the written direction of the Commission, the Contractor will obtain at Government expense insurance covering Government Property with a loss payable clause providing for payment to the Government.

b. Upon the happening of loss or destruction of or damage to Government property (arising from any cause) the Contractor shall communicate immediately with the Commission and shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order and furnish such statement concerning such Government property as the Commission may request. If and as directed by the Commission, the Contractor shall make repairs and renovations of the damaged Government property and shall be reimbursed for all costs and expenses so incurred.

c. In the event the Contractor is indemnified, reimbursed or compensated for any loss or destruction of or damage to Government property, other than as provided in Subsection b of this Section, it shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any such loss, destruction or damage and, upon the request of the Commission, shall at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the execution of instruments of assignment in favor of the Government) in obtaining recovery.

d. The Government shall at all times have access to the premises wherein Government property is located.

7. It is understood and agreed by the parties that the fixed-fees and the overhead allowances provided for in this contract shall continue to accrue during any partial or total stoppage of work hereunder prior to termination or expiration, due to any cause other than the bad faith or willful misconduct on the part of some Director or Officer of the Contractor or on the part of the representative of the Contractor (whether or not a corporate officer) having direction of the whole of the Plant operated by the Contractor under this contract.

ARTICLE VI-M - GUARD FORCE LITIGATION EXPENSES

In the interests of maintaining the efficiency and morale of its internal guard force, the Contractor, subject in each instance to the approval or ratification in writing of the Commission, may provide legal counsel and pay all reasonable and incidental costs (including the premium for bail bond) which may be necessary to defend adequately any member of said guard force against whom a civil or criminal action is brought, where such action is based upon an act or acts of the guard undertaken by him in the general course of his duties for the purpose of accomplishing and fulfilling the official duties of his employment.

ARTICLE VI-N - VOLUNTARY EMPLOYEE'S COMPENSATION

1. a. It is recognized that the performance of the work will subject employees of the Contractor to serious and unusual hazards, mutually agreed to in writing from time to time by the Contractor and the Commission without the execution of an amendment to this contract; and that the Contractor has been unable, despite extended efforts, with the assistance of the Commission, to obtain satisfactory occupational disease coverage therefor. Accordingly, the Government agrees that the Contractor shall have the right to make payments in accordance with the "Schedule of Payments" as set forth in Section 2 of this Article, to or on account of employees, in addition to those provided for by workmen's compensation and occupational disease statutes and/or common law whenever the Contractor shall determine, and such determination has been approved by the Commission, that the employee has become disabled or has died as a result of such hazards. The Contractor shall also be reimbursed, in accordance with the provisions of Article IV-A, by the Government for its expense in investigating and handling such claims including those in which no payments are made. It is the intention of the parties to review the matter of voluntary compensation for such serious and unusual hazards and to amend this Article by supplemental agreement to this contract should the parties mutually agree upon a different basis of coverage and/or payment.

b. The word "disabled" as used herein shall be deemed to include (i) temporary total disability; (ii) temporary partial disability; (iii) permanent total disability; (iv) permanent partial disability.

c. The term "employee" as used herein shall mean any person (including borrowed personnel and personnel obtained pursuant to Article VI-B) who is or has been employed by the Contractor or any subcontractor and who has been engaged in work at the Plant under this Contract or Contract No. W-35-058-eng-71, as amended and/or extended.

d. It is agreed that all the provisions of this Article and any other pertinent article in this contract shall continue in full force and effect for a period of ten (10) years (and such additional period, if any, as may be necessary and approved by the Commission) after the date of termination or expiration of the work under this contract or under Contract No. W-35-058-eng-71, whichever may be the later date so as to cover cases discovered or developed within the ten (10) year period after such termination or expiration of work and brought to the attention of the Contractor, it being the purpose and intent of the parties hereto to provide a basis for payment after the termination or expiration of the said work under said Contracts, for such employees' death or disability, if any, arising out of the work, as have been mutually agreed upon between the Contractor and the Commission.

e. Nothing contained herein shall be construed to grant, vest or allow any right to be given to the employees themselves or any other third parties, or to the legal representatives of any of them, insofar as payments from the Contractor or the Government, under the provisions of this Article, are concerned.

2. a. The Contractor may make any of the payments enumerated below when, in the opinion of the Contractor and with the approval of the Commission, it is determined that an employee has suffered injury or disease as the result of exposures to the hazards set forth in the mutual agreement or agreements referred to in Subsection a. of Section 1 of this Article. Should such injury or disease result in any one of the following losses, the Contractor may elect without regard to the "waiting period" referred to in Subsection b (2) hereof to make payment to or on account of the employee as follows:

For loss of

Life	\$10,000
Both Hands or Both Feet or Sight of Both Eyes	10,000
One Hand and One Eye	10,000
One Hand and One Foot	10,000
One Foot and One Eye	10,000
Either Hand or Foot or Sight of One Eye	5,000

"Loss" shall mean with respect to hands and feet, actual severance through or above wrist or ankle joints, or loss of use of; with regard to eyes, entire and irrecoverable loss of sight beyond remedy by surgical or other means.

b. (1) If an employee sustains an injury (as hereinafter defined) which results in a disability or other loss for which indemnity is not provided for under Section 2 a. of this Article, but which requires treatment by a physician, or surgeon, x-ray examinations, laboratory tests, drugs, surgical dressings, anaesthetics or use of an operating room, the Contractor with the approval of Commission may elect to pay the actual expense thereof, but in no instance will payment under this Subsection exceed \$2,500 for any and all of medical, hospital, and miscellaneous expense combined for any one employee.

(2) Should an employee claim disability as a result of the hazards and exposures referred to in this Article, the Contractor and the Commission will determine the full extent of the injury sustained after a waiting period of fifty-two consecutive weeks (hereinafter referred to as the "waiting period"). During the waiting period, the

disability, if any, will be deemed temporary. After such waiting period, should the employee be deemed to be permanently and totally disabled to the extent that he is unable to engage in any occupation or employment for wage or profit, the Contractor may elect to make a lump sum payment to or on account of the injured employee, in an amount not in excess of \$10,000.00, hereinafter referred to as the principal sum. Should the employee be deemed permanently partially disabled after the waiting period in a manner not described in the specific schedule in 2 (a), the Contractor may elect to make payment to or on account of the injured employee in an amount not to exceed such percentage of the principal sum as may be determined by the Contractor and the Commission proportionate to the degree of disability suffered by the injured employee. Should the employee be deemed to be temporarily disabled the Contractor may elect to make payment to or on account of the injured employee in such amount of money as may be determined by the Contractor and the Commission to be commensurate with the anticipated period of such temporary disability.

c. In no event shall payments to or on account of an employee under any or all of the provisions of this Article exceed \$10,000.00 in the aggregate.

d. An "injury," as referred to in the foregoing, is defined as a disability which results in the loss of time, dismemberment, permanent injury, or death, and which is a direct result of exposure to hazards set forth in the mutual agreement or agreements referred to in Section 1 (a) of this Article.

3. Payments to be made by the Contractor pursuant to the terms of this Article shall be made from (i) the Benefit Fund established under Contract No. W-35-058-eng-71 and in operation under said contract (hereinafter referred to as the "Benefit Fund"), or (ii) other moneys provided by the Government for that purpose pursuant to Article IV-C of this contract. The Contractor is hereby authorized to make such payments from time to time prior to termination or expiration of this contract from either the Benefit Fund or such other moneys referred to above. When payments are made from the Benefit Fund, the Contractor may periodically replenish said Fund with equal amounts drawn from moneys provided pursuant to Article IV-C of this contract; when said payments are made directly from and with moneys provided pursuant to Article IV-C of this contract, withdrawals from said advance moneys shall not be in excess of the amounts sufficient to make said payments. Immediately prior to expiration or termination of this contract, and upon written request of the Contractor from time to time during the period of utilization mentioned in Section 4 of this Article, the Commission and the Contractor shall mutually determine whether or not they consider the amount of the Benefit Fund to be sufficient for the purposes of said Section 4. The amount of the Benefit Fund shall be increased, if at all, in accordance with such determination in writing, out of advances under Article IV-C (if prior to expiration or termination of this contract) and/or other moneys, as the Commission in its discretion may designate or provide (whether before or after expiration or termination of this contract.)

4. The Contractor shall utilize the Benefit Fund to make payments pursuant to Section 2 of this Article, and to pay such costs of administration of said Fund as shall be mutually agreed to by the Commission and the Contractor from time to time, for a period of ten years after the expiration or termination of this contract or of Contract No. W-35-058-eng-71, as amended and extended, whichever last occurs, (and for such further period thereafter,

if any, as the Commission in its discretion may approve in writing). Upon the expiration of said period of utilization under this contract or of the ten-year (or additional) period provided for in paragraph or section 3 of Article XXI of Contract No. W-35-058-eng-71, whichever last occurs, the Benefit Fund shall be promptly paid or credited to the Government by the Contractor or the Contractor shall take such other action with respect thereto as the Commission shall, in its discretion, direct. Nothing herein contained shall be deemed to extend or otherwise affect the periods of utilization of the Benefit Fund provided for in Contract No. W-35-058-eng-71.

5. a. Whenever the Contractor shall determine, with the approval of the Commission, that an employee comes within the contemplation of this Article, the Contractor shall have the right to make payment to such employee, his designee, heirs, next of kin or to his legal representatives, in accordance with Schedule of Payments found

in Section 2 of this Article, provided that when any such payment has been made to or on account of an employee pursuant to the terms of this Article, no further payment under this Article shall be made by reason of the death of such employee. It is expressly understood and agreed that the Contractor assumes no obligation hereunder to make any such payment from the Contractor's own funds. No such payment shall be made except upon securing a release, in form approved by the Commission relieving the Contractor and the Government, to the extent of the payment so made, from all claims of the recipient on account of such disability or death, except, claims under workmen's compensation laws, occupational disease statutes and/or the common law.

ARTICLE VI-0 - SECURITY AND DISCLOSURE OF INFORMATION

1. It is understood that disclosure of information relating to the work contracted for hereunder to any person not entitled to receive it, or failure to safeguard all secret, confidential and restricted matter that may come to the Contractor or any person under its control in connection with the work under this contract, may subject the Contractor, its agents, employees, and sub-contractors to criminal liability under the laws of the United States. See the Atomic Energy Act of 1946 (Public Law 585 - 79th Congress). See also Title I of an Act approved June 15, 1917 (40 Stat. 217; 50 U.S.C. 31-42), as amended by an Act approved March 28, 1940 (54 Stat. 79); and the provisions of an Act approved January 12, 1938 (52 Stat. 3; 50 U.S.C. 45-45d), as supplemented by Executive Order No. 8381, dated March 22, 1940, 5 F.R. 1147.

2. In the performance of work under this contract the Contractor agrees to conform to all security regulations and requirements of the Atomic Energy Commission. Except as the Commission may authorize, in accordance with the Atomic Energy Act of 1946, the Contractor agrees not to permit any individual to have access to restricted data until the Federal Bureau of Investigation shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual and the Atomic Energy Commission shall have determined that permitting such person to have access to restricted data will not endanger the common defense or security. The term "restricted data" as used in this Section means all data concerning the manufacture or utilization of atomic weapons, the production of fissionable material, or the use of fissionable material in the production of power, but shall not include any data which the Commission from time to time determines may be published without adversely affecting the common defense and security.

3. Except as approved in writing by the Commission, the Contractor shall insert the provisions of Sections 1 and 2 of this Article in all (i) sub-contracts, (ii) agreements with its employees, (iii) agreements for borrowed personnel, and (iv) agreements pursuant to Article VI-B hereof under this Contract.

ARTICLE VI-P - EIGHT-HOUR LAW

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight (8) hours in any one calendar day upon such work at the site thereof, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this Article. The wages of every laborer and mechanic employed by the Contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic day rate of eight (8) hours per day and work in excess of eight (8) hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1½) times the basic rate of pay. For each violation of the requirements of this Article a penalty of Five Dollars (\$5.00) shall be imposed upon the Contractor for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight (8) hours upon said work without receiving compensation computed in accordance with this Article, and all penalties thus imposed shall be withheld for the use and benefit of the Government; provided, that this stipulation shall be subject in all respects to the exceptions and provisions of U.S. Code, Title 40, Sections 321, 324, 325, and 326, relating to hours of labor, as modified by the provisions of Section 303 of Public Act No. 781, 76th Congress, approved September 9, 1940, relating to compensation for overtime.

ARTICLE VI-Q - CONVICT LABOR

The Contractor shall not, in the performance of the work hereunder, employ any person undergoing sentence of imprisonment at hard labor. This provision shall not be construed to prevent the Contractor or any subcontractor hereunder from obtaining any of the supplies, or any component parts or ingredients thereof, to be furnished under this Contract or any of the materials or supplies to be used in connection with the performance of this Contract, directly or indirectly, from any Federal, State or territorial prison or prison industry, provided, that such articles, materials or supplies are not produced pursuant to any contract or other arrangement under which prison labor is hired, employed or used by any private person, firm or corporation.

ARTICLE VI-R - ANTI-DISCRIMINATION

1. The Contractor, in performing the work under this contract, shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin.

2. The Contractor agrees that the provision of Section 1 above will also be inserted in all of its subcontracts. For the purpose of this Article, a subcontract is defined as any contract entered into by the Contractor with any individual, partnership, association, corporation, estate, or trust, or other business enterprise or other legal entity, for the performance of a specific part of the work to be performed under this contract; provided, however, that a contract for the furnishing of standard or commercial articles, raw materials or personal services shall not be considered as a subcontract.

ARTICLE VI-S - COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that it has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Government the right to annul the contract, or, in its discretion, to deduct from the contract price or consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commissions payable by contractors upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

ARTICLE VI-T - OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE VI-U - ASSIGNMENT

1. Claims for monies due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company or other financing institution, including any Federal lending agency. Any such assignment shall cover all amounts payable under this contract and not already paid, as of the date of the assignment, and shall not be made to more than one party, except that any such assignment may be made to one party as agent or trustee for two or more parties participating in such financing.

2. In the event of any such assignment the assignee shall file four signed copies of a written notice of the assignment, together with one copy of the instrument of assignment, with each of the following:

- (i) General Accounting Office;
- (ii) the Commission;
- (iii) the surety or sureties upon the bond or bonds, if any, in connection with this contract;
- (iv) the disbursing agent designated to make payments hereunder.

3. Any claim under this contract which has been assigned pursuant to the foregoing provisions of this Article may be further assigned and reassigned to a bank, trust company or other financing institution, including any Federal lending agency. In the event of such further assignment or reassignment the assignee shall file one signed copy of a written notice of the further assignment or reassignment together with a true copy of the instrument of further assignment or reassignment with the Contractor; and shall file four signed copies of such written notice and one copy of such instrument with each of the parties designated in the preceding paragraph.

4. No assignee shall divulge any information concerning the contract except to those persons concerned with the transaction.

5. Indication of the assignment of claim and of any further assignment thereof and the name of the assignee will be made on all vouchers or invoices certified by the Contractor.

6. In no event shall copies of any plans, specifications or other documents or papers marked "Top Secret", "Secret", "Confidential" or "Restricted" which are connected with this contract, or operations hereunder, be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same.

7. The Contractor shall obtain from the assignee any agreement or agreements required by security regulations and requirements of the Commission.

8. Except as hereinbefore provided in this Article VI-U, neither this contract nor any interest therein or claim thereunder shall be assigned or transferred by the Contractor to any party or parties without the prior written approval of the Commission.

ARTICLE VI-V - USE OF DOMESTIC ARTICLES

1. Unless the Commission shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, the Contractor, its subcontractors, and all material men or suppliers shall use, in the performance of the work, only such unmanufactured articles, materials and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, or supplies as have been manufactured in the United States substantially all from articles, materials, or supplies, mined, produced or manufactured, as the case may be, in the United States. The provisions of this Article shall not apply if the articles, materials, or supplies of the class or kind to be used, or the articles, materials, or supplies from which they are manufactured are not mined, produced or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of satisfactory quality.

2. The Contractor's obligations under this Article shall be fully satisfied by inserting appropriate provisions to effectuate the purposes described in Section 1 above in all contracts and orders with its subcontractors, material men and suppliers.

ARTICLE VI-W - DISPUTES

Except as otherwise specifically provided in this contract, all disputes concerning questions of fact which may arise under this contract shall be decided by a representative of the Commission duly authorized to supervise and administer performance of the work under this contract, who shall reduce his decision to writing and mail a copy thereof to the Contractor, subject to written appeal by the Contractor within 30 days from receipt of such copy (or such longer period as may be granted by the Commission), to the Commission or its duly designated representative, representatives or board, whose decision shall be final and conclusive upon the parties hereto. The Contractor shall be afforded an opportunity to be heard and offer evidence in support of its appeal. Pending decision of any

dispute, the Contractor shall diligently proceed with the performance of the work under this contract. Any sum or sums allowed to the Contractor under the provisions of this Article shall be paid by the Government as part of the cost of the articles or work herein contracted for and shall be deemed to be within the contemplation of this contract.

ARTICLE VI-X - BASIC AUTHORITY

This contract is authorized by, negotiated under, and entered into pursuant to, the Atomic Energy Act of 1946 (Public Law 585, 79th Congress, Chap. 724 - 2nd Session) and Executive Order No. 9816, dated December 31, 1946; and the Atomic Energy Commission hereby certifies that the making of this contract without regard to the provisions of Section 3709 of the Revised Statutes (U.S.C., Title 41, Sec. 5) is necessary in the interest of the common defense and security.

ARTICLE VI-Y - DEFINITIONS, ETC.

1. As used in this contract the terms "Atomic Energy Commission" and "Commission" shall mean the United States Atomic Energy Commission or its duly authorized representative or representatives.

2. As used in this contract the term "contract" shall mean this document with attachments as the same may be amended and/or extended from time to time.

3. Whenever action by the Contractor hereunder is subject to approval by the Commission, said approval may be obtained prior or subsequent to the action, unless the contract specifically provides otherwise.

IN WITNESS WHEREOF, the parties hereto have executed this contract the day and year first above written.

THE UNITED STATES OF AMERICA

BY: ATOMIC ENERGY COMMISSION

BY Matt Williams
Acting General Manager.

MONSANTO CHEMICAL COMPANY

BY Charles Allen Thomas
Executive Vice President
(Title)

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I, Ed. Rutledge, do hereby certify that I am the duly qualified ^{and} Secretary of the corporation named herein as Contractor; that Charles Allen Thomas who signed this contract on behalf of the Contractor was then Executive Vice President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Ed. Rutledge

APPENDIX A

The Atomic Energy Commission hereby gives notice to Monsanto Chemical Company, in accordance with the provisions of Title II of Contract No. AT-33-1-GEN-53, entered into the 30th day of December, 1947, that said Monsanto Chemical Company is requested to perform by its own personnel or by subcontract such work and services which remain to be done on 1 January 1948 in connection with the construction of a process plant in the vicinity of Dayton, Ohio, as authorized in Modification 7 to Contract No. W-35-058-eng-71, entered into between the Government and Monsanto Chemical Company on the 16th day of April, 1946, and as requested in writing of Monsanto Chemical Company by the Government on July 19, 1946.

THE UNITED STATES OF AMERICA

by: ATOMIC ENERGY COMMISSION

by:



C. Vanden Bulck

Acting Deputy Manager

Oak Ridge Directed Operations

Dated this 30th day of December, 1947.